Pharmaceuticals Ltd. (IMPCL), Cotton Corporation of India Ltd. (CCI) and Jute Corporation of India Ltd. (JCI).

Distribution and marketing of petroleum products

1615. SHRI A. VIJAYA RAGHAVAN: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether competent authority have decided to disinvest shares in Bharat petroleum Corporation Ltd. (BPCL) without Parliament's approval;

(b) whether it is a fact that BPCL owe its existence by virtue of an Act (1976 Act) of Parliament;

(c) whether it is also a fact that it was Parliament which initially determined policy of how the use of petroleum products, their distribution and marketing in India is to be carried out under section 7 of the 1976 Act and the the Central Government or a Government Company would be the owner; and

(d) whether authorities would seek approval of Parliament on the disinvestment of BPCL?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) to (d) Pursuant to the agreement dated 23.12.1975 between the Government of India (GOI), the Burmah-Shell Oil Storage and Distributing Company of India Ltd. (BSM) and the Burmah Shell Refineries Limited (BSR), Gol acquired 100 per cent equity shareholding of BSR on 24.01.1976. Simultaneously, through The Burmah Shell (Acquisition of Undertakings in India) Act, 1976', Gol also acquired the right, title and interest and liabilities of BSM in relation to its undertakings in India and by notification dated 24.1.1976, vested the same in BSR. The name of BSR was changed to Bharat Refineries Limited (BRL) and subsequently to Bharat Petroleum Corporation Limited (BPCL).

Government sought the opinion of Attorney General on whether Government can *cfi* ahead with the disinvestment in Hindustan Petroleum Corporation Limited (HPCL) through strategic sale and in Bharat Petroleum Corporation Limited (BPCL) through sale of shares to public and whether prior sanction of Parliament in necessary before disinvesting Government shareholding in HPCL and BPCL.

The learned Attorney General in his opinion has stated that after analysing all aspects of the matter, Parliamentary legislation or Parliamentary sanction or approval is not necessary to effectuate the 'in principle' policy decision of disinvestment in HPCL and BPCL and it is open to the Government of India in *bonafide* exercise of its executive power under Article 73 read with Article 298 to reach and implement the said decision.

After receiving the opinion of the Attorney General, Government has *inter-alia* decided in January 2003 to disinvest 35.20% equity shares in Bharat Petroleum Corporation Limited (BPCL) through Offer for Sale to public in the domestic and international market. In addition, it has been decided to offer 5% equity shares in BPCL through Employees Stock Purchase Scheme (ESPS) to the employees.

Post-closure adjustment

1616. SHRI DIPANKAR MUKHERJEE: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether the provision for the post-closure adjustments exists in the agreements relating to disinvestment in the unlisted public sector companies;

(b) if so, the disinvested companies where such provision exists; and

(c) the details of the adjustment made so far in the above cases including those where such claims are under consideration?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): ^) and (b) Provisions for post-closure adjustment exist in the transaction agreements signed at the time of disinvestment of Modem Food Industries (India) Ltd. (MFIL), Bharat Aluminium Company Ltd. (BALCO), Paradeep Phosphates Ltd. (PPL), HTL Ltd., hotels of Hotel Corporation of India Ltd., a subsidiary of Air India Ltd. and the hotels of India Tourism Development Corporation (ITDC).

(c) The details in respect of these PSUs are as follows:-

MFIL: Modem Food Industries (India) Limited (MFIL) was disinvested through sale of 74 percent Government equity to Hindustan Lever Limited